

PRICE ONE SHILLING

HOUSING

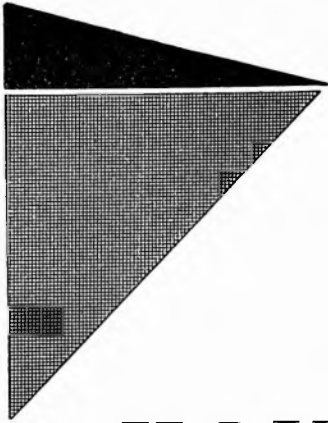
A Co-operative Approach

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from Jimmy Gerard



HOUSING

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► 1. THE HOUSING PROBLEM

1 THE PROBLEM of housing has always been acute in this country. During the 19th century cheap and nasty houses were hastily thrown up and into them were crammed the new industrialised working classes. The "problem houses" of today—the slums, near-slums and the houses worth improving—are products of this era of industrial expansion and social degradation. This part of the 19th century was the worst period of British social history.

2 It was also the heyday of *laissez-faire*. It was no-one's job to see that the needs of the time, let alone the needs of the future, were being properly met. Only when the upper classes realised that epidemics knew no social frontiers were considerations of public health allowed to compete with ignorance, prejudice and private interests.

3 The latter part of the century saw the organisational and institutional developments that were a necessary pre-requisite of progress. Electoral and local government reform, compulsory education, the blossoming of the trade union, co-operative and (finally) socialist movements were all essential to the improvement of social organisation and the lot of the indigent masses.

4 During this time the great public utilities were set up and administered, either by public bodies or by bodies that were susceptible to a measure of public control. But "gas and water socialism" stayed literally underground. And housing escaped the attentions, not only of the emergent Inspectors, but of the municipal empire-builders of the day.

5 The building of local authority houses commenced even before the First World War, but on a small scale. This development, greatly expanded after the war, had a big impact for good on the housing situation. Relatively few houses were built during the second world war—barely sufficient to make good the houses totally destroyed by enemy action; and, of course, repairs of all kinds were greatly neglected.

6 After the war, therefore, the Government was presented with the necessities of a three-fold programme: to make good war damage, to meet the unprecedented demand for homes, and to overhaul the arrears of repairs. Building licensing was introduced so that the resources of the building industry could be distributed between these and other tasks, such as industrial building, on priorities decided by the authorities.

7 Post-war building costs were extremely high and it was realised that this fact, coupled with rent control and licensing meant that private building for letting was impossible. In any case, it was also undesirable to the Labour Government. The task of providing the new homes was given to the local authorities, who decided in which order applicants would be rehoused.

8 After the war it was found that people's expectations were much higher than before. Full employment brought power and dignity to the working class and naturally housing figured large in their estimation of what the new society should offer. It is this change in circumstances, particularly in purchasing power, that has aggravated the post-war housing shortage. Many were no longer prepared to tolerate the old ways and the old standards.

9 As an example, the coalition Government in 1945 estimated that 750,000 new dwellings would be necessary after the war to provide separate accommodation for all families who desired it. In fact 3 million houses and flats have been completed since the war and still the demand is unsatisfied. In 1955 Political and Economic Planning estimated that the need was still equal to the 1945 estimate.

10 There are some 15 million houses and flats in Britain, of which nearly 5 million are over 70 years old—over two million of those being more than 100 years old.

11 In 1951 nearly half the families in the country had no fixed bath of their own; one in five either shared or were entirely without a flush W.C.

12 This, in the mid-20th century, is the bare bones of the housing situation. It is still gravely disturbing.

13 No post-war Government can be blamed for this situation; it is a legacy from the past. New houses have been built very rapidly indeed, although more should have been done in improving existing properties. Indeed, improvements can make a very substantial contribution towards raising the housing standards of our people to a level in keeping with the social aspirations of the age.

14 There can be no doubt that the present need is for more houses to rent. This is not to say that home-ownership should not be further encouraged—in fact we later make proposals to this end. But there are many people whose circumstances or inclinations do not permit them to become owner-occupiers. It is for this reason that we cannot visualise present housing problems being solved by increased home-ownership, though it can of course make a contribution.

15 The present Government's policy of high interest rates, combined with the virtual abolition of general housing subsidies, has resulted in a serious reduction in the construction of new houses to rent. We assume that a Labour Government will operate interest rates or subsidies in ways that will permit a greater number of houses to be rented.

► 2. THE SLUMS

1 IN 1955 LOCAL AUTHORITIES informed the Government that there were 807,000 slums in England, 113,500 in Scotland and 40,000 in Wales. But it should be borne in mind that many dwellings which would be termed "slums" in popular language would not be officially categorised as "unfit accommodation" in terms of existing legislation. So the above figures refer to only the absolutely insufferably bad housing units. To these must be added the unknown (but undoubtedly very large) number of dwellings that are "sub-standard." These are technically not slums, but are in all conscience unfit for human occupation in their present state.

2 The highest priority must be given to the replacing of slums and near slums. Their continued existence is a social blight of a particularly nasty, and quite inexcusable, kind.

3 The chief problem in replacing slums is one of population density. A clearance area can seldom be made to take the same number of people. Although building upwards is a partial answer it is not a complete one. Provision must be made for open spaces, car parks, shops, schools and other social necessities on a scale adequate to satisfy present standards. Merely to *house* the people is not by any means the only consideration these days.

► 3. IMPROVING PROPERTIES

1 HOUSES ARE VERY durable things; once built they last a long time—too long in some cases. They are expensive to build and even more expensive to replace. It is therefore inevitable that the bulk of our houses should be below the standards considered ideal at any particular time. All existing houses cannot be replaced to meet the differing tastes of each successive generation. But they can and must be improved.

2 Private enterprise cannot undertake this task on a sufficient scale. To deal adequately with the problem by this means would require the public subsidising of private profit in a way that should now be unacceptable in this country. (Private enterprise house building was subsidised here before the war, and still is in the United States). There are also technical arguments against such a course. Improvements of blocks of sub-standard property, as with housing redevelopment in city centres, can be carried out only under powers of compulsory purchase. When ownership is fragmented comprehensive schemes of improvement are difficult. (There is considerable evidence that present improvement grants are mainly used by owner-occupiers.) It is, or should be, obvious that powers of compulsory purchase could not be exercised by any other than public bodies.

3 Many of our towns contain large areas of property ripe for improvement, especially within the inner suburban rings. The faded Victorian terraces, for example, are usually sound structurally, and represent a past conception of spacious living. They also represent considerable social capital.

4 Treatment of this type of property, such as vertical conversion into maisonnettes or horizontal conversion into flats, or ordinary sanitary improvements, would provide very satisfactory dwellings for those who prefer living in or near urban centres. If rents were higher than in the outer suburbs, travelling to work would be cheaper. It is the sort of choice we must preserve and extend.

5 Block conversion of the kind referred to above has largely been overlooked in the post-war drive for new building. But fresh impetus would be provided if local authorities were to encourage housing associations to undertake at least part of the task, and if the building societies' resources could be used for this purpose.

6 Many other properties requiring improvement are easier propositions than the relics of previous elegance. Every town has its rows, even streets, of villas—the small “desirable residences” of fifty years ago. These usually require only three things to give them many more years of useful life—a bathroom, indoor sanitation and a hot water supply. At the same time it is important to avoid spending public money on property that is basically unsuitable for occupation, and which should be demolished in the near future.

7 Of course, the great majority of these houses have three bedrooms and provision of a bathroom would make them into two-bedroom houses. But in fact there is a demand for two-bedroomed houses by people who have one or no children, or whose children have grown up and they want smaller—and perhaps cheaper—accommodation. These houses can be a valuable addition to the pool of decent houses available for both letting and owner-occupation.

8 Labour Party policy is to municipalise these houses, where they are not owner-occupied. That means they will become the property of the local housing authority—the borough or district council. The Co-operative Party are in favour of social ownership in this field. We are, however, anxious to see a wide diffusion of social ownership. To Co-operators “social ownership” has a more intimate connotation than “public ownership.” It suggests greater participation in the act of owning, and certainly in the machinery of control.

9 We would therefore urge that the approach to this issue should be as diversified as possible. In the following chapter we draw attention to some of the problems that could arise where there is a single landlord throughout a local authority area. No one form of organisation should be permitted, or envisaged. For example, housing associations should be given opportunity for a large part of the “improvement sector,” in addition to a widening of their role in building new houses.

10 But, irrespective of ownership, in no case should the rents of houses taken over preparatory to improving them be increased in advance of the improvements.

► 4. DEMOCRATISING THE PUBLIC SECTOR

- 1 APPROXIMATELY ONE-QUARTER OF the houses and flats in Britain are publicly owned at present. This proportion will greatly increase under Labour's policy of ultimate municipalisation of most rented houses.
- 2 With this prospect before us, urgent consideration must be given to closer association between tenants and councils in the control and management of municipal estates. Even the present scope of municipal housing gives rise to important problems of administration and personal rights of tenants, all of which will be intensified as the public housing sector is enlarged.
- 3 The public landlord is usually, but not necessarily in every sense, a "good" landlord. A public body will keep its property in good repair and in other material ways behave with complete propriety. But if the local authority is to be virtually the only landlord within a given area, there is an obvious possibility of the mechanical application of general rules that do not permit sufficient variation to meet individual requirements.
- 4 It goes without saying that the tenant of a private landlord is often exposed to petty restrictions—and much worse. A substantial minority of them are exposed to the whims of an individual responsible to no one as to whether they may continue occupying their houses. (We deal with this matter elsewhere.) But it is sometimes all too easily assumed that the "public" tenant has no landlord problems at all.
- 5 The Co-operative Party believe that "consumer protection" is as important in housing as in retailing. Even at present, and more so if municipalisation is extended, there is much to be done in extending his rights and in affording him greater protection.
- 6 It is understandable that many housing authorities should be proud of their records and jealous of their rights as landlords. For example, although their tenants have no legal security of tenure, they in practice enjoy a very high level of security.
- 7 But this, though basic, is not nearly enough. A person's home is a very intimate possession. The tenant-occupier should have a bigger voice in affairs connected with his home than is usually the case at present. "Workers' democracy" has been a rallying cry in the Labour Movement for decades. "Tenants' democracy" should also have a special appeal, as has "consumers' democracy"—the foundation stone of the Co-operative Movement in this country.
- 8 The next few years may be a most suitable time for experiments in tenant democracy. There is a healthy disposition on the part of people generally to resent being kicked, or even pushed, around. This attitude, strengthened by feelings of security that only continuous employment can bring, is likely to be directed to landlords as well as employers.

Tenant Participation in Management

9 It may be expected—certainly to be hoped—that in these circumstances housing authorities will be more ready than in the past to devolute some of their management functions. Indeed, this might well be a condition of the success of the Labour Party's scheme outlined in "Homes of the Future" and supplemented in the pamphlet, "100 Questions Asked and Answered on Labour's Housing Policy."

10 Local authorities, resentful at the loss of some of their former powers to Whitehall, are unlikely to welcome enthusiastically an eroding from below. Nevertheless we propose that housing authorities should be encouraged by the Government to permit suitably constituted bodies to undertake some management functions. We favour joint committees of tenants and councillors. The local authority should of course retain control.

11 Such a measure of devolution could include the more "domestic" aspects of management, such as decoration, standards of garden maintenance, nuisances, and so forth.

12 We claim that much good might be expected to result from a closer link between the tenant and the functions of management; and strongly urge that local authorities experiment boldly in such schemes.

13 In addition to devolution of the kind discussed above, local authorities should be encouraged to co-operate with tenant committees. A number of decisions concerning the running of estates, especially those affecting "amenity" can best be taken in direct consultation with those chiefly affected. This, in our view, encourages good and responsible citizenship, and permits the tenant to be something better than a receiver of instructions handed down from authority.

► 5. CO-OPERATION IN HOUSING

1 AS APPENDIX I to this policy statement shows, a number of other countries have extensive experience of co-operative housing. It has been comparatively unimportant in this country for a number of reasons, including the development of local authority housing and the absence of a strong central organisation to promote schemes.

2 We do not suppose that developments in countries whose traditions and social organisation are different from ours can be copied precisely. But we do firmly believe that this overseas experience, together with the work of the housing associations in this country, justify a considerable expansion of co-operative housing.

3 There are over 600 housing associations currently affiliated to the National Federation of Housing Societies. They are non-profit making organisations, primarily concerned with building houses to let, or the management of rented houses built some years ago. Some are "self-build societies," whose activities, we feel, are outside the scope of this statement. Others have owner-occupation as their ultimate aim. A very small number are co-operative associations; that is, their members are shareholders and they manage their estates on co-operative lines. We are primarily concerned with this latter type.

4 A number of different types of non-profit making housing associations are described in Appendix II. However, few of these are based on the co-operative principles of democratic participation and ownership.

5 The National Federation of Housing Associations has defined a Co-operative housing association as "one in which all the tenants are members and hold appreciable amounts of share-holding in the Association. The amount of shares held by each tenant should be not less than the difference between the amount which can be raised on mortgage and the total capital cost of each house. Thus the tenants, as members of the Association, are the collective owners of their houses."

6 It should be made clear that a co-operative housing association based on tenant ownership and control is different from a housing association created by one or more retail co-operative societies for the purpose of building houses for sale or rent. This kind of housing association, although sometimes called co-operative, because much of the initial capital invested in it derives from retail co-operative societies, is usually not Co-operative in the sense that it is organised by the participating tenants. It is a non-profit housing association more akin to the associations set up by some firms to house their workers.

7 Co-operative housing associations themselves do not and need not take a single form of organisation. As an example of a small co-operative housing association is provided by Gloucester Garden Village Ltd. This society was formed in 1944 to provide housing by co-operative means within the County area. All the tenants necessarily have a financial interest in the Association, as they must be shareholders in order to qualify for tenancies. A Management Committee control the affairs of the association and consist of 11 members of whom seven are tenants.

8 Examples of a somewhat different kind are the South Western Co-operative Housing Society Ltd. and the East Midlands Housing Association, which were founded by a number of neighbouring Co-operative Societies. In the case of the South Western Society, although initially formed to supplement the work of local authorities by providing houses for letting, the high cost of building and the removal of subsidies have resulted in their building for owner-occupation.

9 We are not opposed to this type of non-profit housing association; but we regard co-operative housing projects which are fully democratic and in which the tenants participate in management as members (and therefore as of right) to be a superior form of association which has been sadly neglected in this country and we want to see it encouraged. Recently the Borough of Willesden (which has a Labour Council) has shown how this kind of Co-operative housing association can, with local authority backing, be created by the tenants of a block of flats threatened with eviction. This experiment has, we understand, proved so successful that the Council are prepared to consider assisting other schemes in the area.

10 Under the Housing Act 1936, housing associations were able to obtain assistance from local authorities. They now operate under the Housing Act, 1957. Under Section 119 local authorities are able to make loans to housing associations and under Section 120 to make arrangements with them for the provision of dwellings and for the receipt by them of any Exchequer subsidy that would be payable to the authority if it were itself building the houses. In fact most of the existing housing associations have a close association with local authorities.

11 Two main problems confront a new association and one that wants to extend its activities. The first is to obtain the co-operation of the local authority in whose area it wishes to operate; the second to find money to bridge the gap—often 10 per cent.—between what it can raise on mortgage and loan and the cost of the actual houses.

12 We are anxious to mitigate the possible contingencies to which municipalisation might give rise. And we are quite convinced that there must be a diversification of social ownership. Co-operative ownership would achieve both results.

13 We recommend, as a first step, the setting up of a Co-operative Housing Development Organisation. Its main function would be the promotion of co-operative housing associations. For this purpose it would provide expert advice and technical assistance, and finance to bridge the gap between the cost of co-operative housing schemes which it approves and the amount an individual association could itself raise through the local authority by mortgage, and by loan and share capital.

14 The Co-operative retail societies themselves cannot give the initial financial impetus to this development in co-operation, though some societies might feel able to make a contribution. Building societies might be expected to assist if the law was changed to permit them to undertake wider functions. Trade unions might also be prepared to invest small sums. Not a great deal of money would be required—perhaps 5 per cent. of the cost of each scheme. Although most organisations have their own capital difficulties we suggest that these would not be increased by a modest investment of this kind.

15 The new development organisation would have to work jointly with government departments and local authorities. Local authorities should themselves be clearly encouraged to co-operate with associations, in particular by making loans available. It is clear that only in association with local authorities can the housing society movement gain ground.

16 County councils should be brought into the picture, in particular by making land available to the associations. It would be a tremendous help, too, if councils would prepare sites and instal services and roads. Naturally co-operating authorities would have certain participating rights, such as nominating a proportion of tenants. In this case any rate subsidy should be extended to all the houses within a particular scheme.

17 It has to be admitted that, in times of acute housing need, it could be argued that the *co-operative* housing association, which requires its tenants to be shareholders, has a disadvantage. People, it might be said, must be rehoused according only to need, not according to their ability to purchase say £25 or £50 of shares.

18 Against this it can be said that many people who do urgently require a house can in fact find such a small amount of money. This is proved by their purchasing a house in some instances. Furthermore, various methods can be used in assembling the share-purchase money, such as weekly payments while applicants are waiting for a house or by paying a regular amount towards share purchase during the first year or two of occupation.

19 The Co-operative tenancy is in our view the highest form of tenancy, which places the occupier in a category analogous to a leaseholder. He can dispose of his shares to the association if he surrenders his house.

20 There is another case for co-operative housing, namely the general case for co-operative ownership. The co-operative system of ownership is as important in an era of growing public ownership as it was when private ownership held undisputed sway. It seems generally recognised that there is now a divorce between ownership and control in a great part of our economy. But this is not true of the Co-operative Movement, where the two are quite integrated. As a form of social ownership, co-operative ownership can preserve that element of diffusion that is so important to the people of this country. In the case of housing, a substantial measure of co-operative provision would provide an alternative choice of rented accommodation. We think this is an important principle, as well as a practical method of avoiding too great a dependance upon the municipal landlord.

21 Co-operative housing associations must be free to raise loans in the ordinary way, in which case the interest payable must be controlled by the Treasury. Facilities should be made available through local authorities and the Public Works Loans Board to cover 95 per cent. of the cost of all *bona fide* schemes. Otherwise the problem of finding the balance will continue to prove a stumbling block to development, despite the promotion of a development organisation.

22 Housing co-operatives may not be ideal for the poorest sections of the community, who must receive very preferential treatment in housing from the community at large. But there are a large number of people, say artisans and clerical staff, who in our view would welcome the opportunity of being owner-tenants.

23 Compulsory co-operation has never been the policy of our Movement. It is based firmly on the voluntary principle. We claim the right to advocate the advantages of Co-operation as we are now doing in the case of housing. We are satisfied to rely on the intrinsic value of Co-operation in practice. In the case of co-operative housing there are, as we have outlined, some obvious economic and social advantages. But there are other aspects of a perhaps less obvious kind. Some examples of these were given in a speech at a national conference on Co-operative Housing in the United States in March, 1958. Mr. Jerry Voorhis, Executive Director of the Co-operative League of the U.S.A. said of Co-operative housing: "... over the years the maintenance costs have been shown to be up to 50 per cent. less than in any other kind of housing, probably because of the *esprit de corps* among the member-owners of the homes or apartments." He went on to say, "Experience has shown both that when a genuine Co-operative group is created and a true Co-operative spirit developed, among the occupants of a Co-operative housing development, we then see a true neighbourhood and community growing up even in the midst of our largest and most impersonal cities. We find that both juvenile and adult delinquency are at a very minimum. We find cultural activity being multiplied and we find an absence of tension between different ethnic occupants and other groups." And this from the leading capitalist country of the century.

24 There seems much sociological evidence for the view that the great massing together of people in large urban concentrations leads to a loosening of the checks and ties associated with smaller communities. It may well be that in Co-operative housing we may find a new reconciliation between the demands of good neighbourliness and the doctrines of the "mass society."

► 6. SUBSIDIES

1 HOUSING SUBSIDIES WERE first introduced, in skeleton form, in 1919. They continued, meeting various vicissitudes, between the wars.

2 After the second world war building costs were very high compared with pre-war, and these costs would normally have had a sharp effect on rents. But the Labour Government introduced an Act in 1946 under which subsidies were payable to permit rents of council houses to approximate to one-tenth of average earnings of weekly-employed men. The subsidies were applied by local authorities irrespective of the income of the tenants.

3 It is undoubtedly true that the post-war pattern of subsidies had created some serious anomalies. It was of course necessary to prove housing need in order to obtain a local authority house. But supply has never caught up with need, and many families' requirements have gone unsatisfied.

4 Until the present Government abrogated the housing subsidies, those who were rehoused by local authorities were enjoying advantages not available to others. Although their homes were not subject to rent control, they automatically qualified for subsidies irrespective of income. Some occupants of council houses have been subsidised by people with smaller incomes than theirs, and whose needs may not have been appreciably less.

5 Housing subsidies are essential if there is to be an adequate supply of houses to let at rents all can afford. This is certainly not to say, however, that a *general* Exchequer or rate subsidy is necessarily desirable for all tenants irrespective of their ability to pay an economic rent, as there are serious objections to *all* publicly provided housing attracting a flat-rate subsidy.

6 In the first place subsidies have to be paid for by someone. Most people make heavy contributions to taxation these days, and many would not relish an increase in rates or taxes in order that all council tenants should pay artificially low rents. Even if all, or most tenants are to be council tenants, the objection still applies. Not all taxpayers and ratepayers will be tenants, and it is not unreasonable for owner-occupiers to resent subsidising other people's rents irrespective of those people's incomes.

7 We believe that, at least until reasonable demands are satisfied, housing policy must be directed to helping those most in need of accommodation; and subsidy policy must give special assistance to those whose housing need is combined with low incomes.

8 The Tories first of all raised the general subsidy (paid on all new council houses) from the £16 10s. 0d. per annum fixed by the Labour Government to £26 14s. 0d. In April 1955 this was reduced to £22 1s. 0d. and to £10 0s. 0d. under the Housing Subsidies Act of 1956. At this time the compulsory subsidy from the rates was abolished (it was previously one-third of the Exchequer subsidy). The Exchequer general subsidy was abolished in December 1956, except for one-bedroomed dwellings—mostly occupied by old people.

9 The total amount spent in recent years on housing subsidies in the United Kingdom is as follows:

	£million					
	1948	1950	1952	1954	1956	1957
Exchequer and Rate Subsidy	67	72	83	100	109	111

10 The special subsidies now in existence include £22 for slum clearance and £24 for dwellings in new towns and for overspill schemes. There are special subsidies for flats, based on the height of the buildings and the cost of the sites, for building on expensive sites and for agricultural cottages. Local authorities can claim an additional subsidy under Section 5 of the Housing Subsidies Act 1956 where housing need is particularly urgent and could not be met without this assistance.

11 The general subsidy that has existed in the past has in fact been a rent subsidy. Alternative methods would be to subsidise the cost of erecting houses, either by a capital payment or by affording loans at low rates of interest; or by subsidising the occupants themselves.

12 The general subsidising of the cost of erection by means of a capital grant would place a heavy burden on the Exchequer. The question would arise as to whether houses for owner-occupation could be excluded from the scheme. Subsidising the rate of interest certainly gives rise to the same problem.

13 Mr. Harold Wilson has written in the *Manchester Guardian*:

“ We should not rule out, if the practical difficulties can be overcome, a dual interest-rate structure, under which Government credit . . . would make possible a lower rate of interest for essential public purposes—for example, local authorities, essential industry, and colonial development.”

14 It might be difficult, on grounds of equity and public policy, to exclude owner-occupied houses from such a list of priorities. And objections to including them could equally be made against the better-off tenants.

15 If occupants themselves were to be subsidised there seems little doubt that tests of need would be necessary. Otherwise a quite farcical situation would develop. In fact rent rebate schemes as at present operated are really a subsidy of this kind.

16 Until the housing shortage has been overcome it will be impossible to operate any subsidy that will be fair to everyone. Any general subsidising of council tenants from the Exchequer would be unfair to those who need satisfactory accommodation but are unable to get it.

► 7. RENTS AND TENURE

1 THE RENT ACT of 1957 completely decontrolled nearly one-quarter of privately rented dwellings—those with a rateable value of above £30 in the provinces and £40 in London and Scotland. In addition houses that remained controlled are now entirely decontrolled when the tenancy ends. (The Government has estimated that this will result in the decontrol of some 125,000 *every* year). The bulk of privately rented houses remain rent-controlled and the tenants have security of tenure. The Rent Act, however, provided for rent increases up to maxima determined by responsibility for repairs, etc.

2 The Co-operative Party strongly opposed the 1957 Rent Act. While no case can be made out for freezing rents for all time, provision can easily be made for linking increases with the obligation to carry out proper repairs. The landlord should have to prove that the repairs have been carried out if a tenant challenges a rent increase. The 1957 Act put the burden upon the tenant, who has to initiate an involved procedure in an attempt to prove that his rent increase is unjustified.

3 The Co-operative Party do not consider that the rents of privately-owned houses should be determined by the “free market”—at least, not while there is a housing shortage. As most of these houses are old compared with local authority houses, their rents cannot be assessed in relation to their capital cost.

4 We are therefore in favour of rent disputes being settled by arbitration. Only in this way can a balance be struck between the interests of landlord and tenant.

5 The fixing of an equitable rent is not strictly a legal process, though it must have the force of law. Decisions must be based upon social and economic factors, not upon legal precedent or the construction of a Statute. Consequently we consider specially constituted Rent Tribunals are preferable to the Courts for this purpose.

6 All tenants of private landlords should have security of tenure, provided they carry out their contractual obligations. Exceptions should include circumstances in which an owner requires accommodation for himself or a near relative and would suffer more from a failure to gain possession than the tenant would from losing it. Such cases should be decided by the Courts.

Local Authorities

7 The rents of local authority houses are a different proposition. In the first place they are much more modern than other rented properties, and rents have, in the main, been based upon the capital cost of providing them, less the subsidies they have attracted.

8 Local authority houses are not subject to rent control. The tenants have no legal security of tenure, though in practice they have a very high level of security.

9 The presumption is, of course, that a public body will not raise rents unduly, and that it will in other respects behave as a good landlord.

10 It might well be inappropriate to give legal security of tenure, especially as the reform is not suggested by experience. At the same time the legal position and the status of tenants can be improved. One way would be to offer them leases, say of seven years' duration with the option of renewal.

11 Council house rents have been radically affected in recent years due to two actions of the Tory Government; the progressive removal of subsidies and increased interest rates which have put up the cost of new building.

12 Faced with this situation local authorities have had to increase rents. They have been able to choose whether and to what extent council rents should be subsidised from the rates, and whether the rents of older houses should be raised above their economic level to help meet the higher costs of new houses.

13 In fact since the compulsory rate subsidy was removed in 1956 councils, including Labour-controlled councils, have not used the rate fund to the extent expected. They have mainly relied on equalising their rents as between old and new houses and in most cases also have introduced schemes which permit poorer tenants to pay lower rents on proof of need.

14 These differential rent and rent rebate schemes proved very controversial at the outset. However, given the situation it is difficult to see a better alternative. With housing suddenly made much more expensive as deliberate Government policy, councils' only alternatives would have been to cease building houses altogether (except for purposes that still commanded subsidies), or make the new tenants pay enormously increased rents. Either alternative would effectively prevent poorer people from being housed by the local authorities.

15 There is a useful redistributive element in making the rates subsidise council rents, particularly if it is assumed that it is generally the less well-to-do who occupy council houses. But there are other considerations. It is not equitable, for example, to make the tenants of private houses subsidise council tenants, who are better housed and probably of the same income groups. There is a limit, too, to the extent that owner-occupiers, burdened with steeply increased mortgage charges, should contribute to council rents.

16 The Co-operative Party believe that local authorities should be free to decide how they will meet the situation created by the present Government. But we have a preference for rent rebate schemes over differential rent schemes under which the incomes of all tenants would have to be known in order that rent could be related to means.

17 Rent rebate schemes permit any tenant who feels his rent is unreasonably high compared with his income to ask to be assessed at lower rent. This involves a "means test" and is very objectionable to many Labour and Co-operative people. It is not certain just how objectionable it is to those chiefly affected. It may well be that those who want a rent rebate see the justice of declaring their income in order to establish a claim.

18 It is a sound Co-operative attitude that those in greatest need should receive greatest assistance. Local authority rent schemes should provide for this.

19 We would say that the *minimum* rate contribution should be to make good the loss due to rent rebates, rather than that this should be met solely from the rents of other council tenants. We do, however, consider it fair that under present conditions council rents should be pooled, and the rents of older houses increased so as to reduce the otherwise crippling rents of new dwellings. This of course involves all general subsidies being spread over the whole of a Council's estate.

► 8. OWNER-OCCUPATION

1 MANY PEOPLE, SOME 30 per cent. of all householders, buy rather than rent a house. This is good from the public point of view. It removes a whole category of people from pressure on the "rented" sector, both public and private. House purchase is an important form of saving and, incidentally, a good "hedge" against inflation. Ownership of personal property such as a house is a good thing and there is reason for believing that home ownership is conducive to good citizenship generally. But the owner-occupier has usually to pay instalments for many years in excess of what it would probably cost him to rent an equivalent property. He has to satisfy the mortgagee that he can maintain his payments throughout the whole period of the mortgage. His income must therefore not only be adequate; it must be assured. He must be able to find the deposit. The other initial expenses appear extremely heavy, and call for investigation.

2 Most owner-occupiers borrow from building societies, organisations that exist to lend money on security of real property. They are able to do this because people lend money to the building societies and are paid a rate of interest sufficient to encourage them to leave the money invested rather than to withdraw it for more profitable investment elsewhere.

3 Local authorities may, but need not, advance money for house purchase or owner-occupation. In 1957-58 they have virtually ceased this service due to the very high interest rates that they themselves have had to pay in order to raise money. Local authorities lend at fixed, and building societies at variable rates of interest. The former generally require a deposit of 10 per cent. of the valuation of the property, while building societies will normally lend 90 per cent. only if the property is fairly new. Building societies are also more cautious in regard to the age and status of the borrower.

4 The legislation under which local authorities can advance money for house purchase are the Small Dwellings Acquisition Acts and the Housing Act of 1949. The S.D.A.A. advances are restricted to the purpose of assisting a person to acquire or construct a house in which he intends to live, while the 1949 Act has a much wider scope and covers advances for converting and improving houses.

5 In the last 40 years, building societies have become by far the biggest lenders to home-buyers. Over the last five years they have been lending at about £350 millions per annum. The housing shortage has intensified the demand so that there has been no lack of purchasers despite soaring interest rates.

6 Now that building societies are so well established in this field and have a considerable investing public from which to draw funds, in addition to the repayments accruing from existing mortgages, it would seem appropriate and convenient to utilise their services in any effort to widen the field of home-ownership. This the present Government are planning to do in their scheme for lending public money to societies for the purchase of older property. We see no objection to this, provided local authorities are given the same facilities and building to let is not adversely affected.

7 Already arrangements exist under which loans above the normal 75 or 80 per cent. can be granted by a building society with the support of a local authority guarantee. The present arrangement was introduced in 1955 and provides for 90 per cent. and 95 per cent. loans on houses valued at not more than £2,500.

8 By the end of 1957, loans totalling £45 million had been made under the revised scheme. But there are limitations to it. For one thing the repayment term is limited to 25 years, whereas it is the practice of local authorities when making loans themselves to lend for a period of 30 years.

9 The upper limit of £2,500 prevents those wishing to buy higher priced houses from taking advantage of the scheme. This excludes a number of people with limited capital but earning enough to afford a higher priced house. This upper limit should be raised to the £5,000 upper limit introduced by the Labour Government for loans made by local authorities.

10 The guarantee scheme (which involves a tripartite guarantee between the Treasury, the local authority and the building society) is dependant upon the local authority's decision to operate it. Not all local authorities have agreed to do so. We suggest that the present scheme be extended along the lines indicated above, and that all local authorities be encouraged to operate it.

11 In addition, we suggest an alternative scheme which could be operated by the Government and building societies without the co-operation of local authorities. This new scheme could be used where a local authority declines to operate the tripartite scheme and should aim at being self-supporting by the payment by the borrower of a comparatively small risk premium.

12 In brief, the building society would lend up to 95 per cent. of price (or value if less) to approved applicants. These borrowers would have to find sufficient cash to cover a deposit of only 5 per cent., the expense of surveying the house in question, the legal costs and a small once-for-all guarantee premium. The maximum price would be £5,000 and the maximum repayment period 30 years.

13 It is fashionable at the moment to propose that advances to owner-occupiers should be up to 100 per cent. of the valuation of the property. Already a number of local authorities are in fact selling houses to owner-occupiers on the basis of a £1 deposit.

14 There are certain objections, however, to a 100 per cent. mortgage. In the first place, such facilities may well encourage people to undertake obligations they cannot in reality fulfil. If a person's income is such that he is unable to save, say 5 per cent. of the purchase price of a house he is unlikely to be able to maintain satisfactorily his repayment instalments.

15 On the other hand the owner-occupier, through the payment of taxes and rates, subsidises to some extent the rents of at least some council tenants. It would therefore appear not unreasonable that he should enjoy certain facilities as a consequence, but the facilities need not necessarily extend to 100 per cent. mortgages.

16 A number of additional reforms for the owner-occupier can be suggested. In the first place a prospective purchaser ought to be able to employ a local authority in whose area the property is situated to carry out the survey and in other ways advise him.

17 Owner-occupiers would also benefit from schemes under which they could sell their houses to the local authority, say on retirement, and live rent free for the rest of their lives. Thus an owner-occupier might receive £1,000 for a £2,000 house, based on an actuarial assessment. He could by this means realise part of the capital value of his house, and use it, but be free of worries about future payments, either as rent or as loan repayments.

18 In our view owner-occupiers should share in any schemes for subsidising the rate of interest which may apply to local authority housing.

► 9. ASPECTS OF PLANNING

1 LABOUR'S TOWN AND COUNTRY PLANNING ACT of 1949 imposed general control of land use, and provided for the State to take over development rights in land. This meant that "development values" (appreciation in value due to activity in the neighbourhood) would no longer belong to the owner; he would retain only "existing use" value.

2 The State acquired all development values in 1947 by forbidding any development without planning permission. Compensation is paid for loss of development value as and when the loss is sustained—that is, when permission to develop is actually refused. Compensation is paid, however, only on the development value that existed in 1947. Where land has acquired a development value since 1947, the owner has no claims to it. His claim is of existing use value, which is of course lower. These principles apply both to compensation paid to owners whose land depreciates in value as a result of planning restrictions, and to the price public authorities pay for land they acquire by compulsory purchase orders.

3 If it is conceded, as in our view it must be, that public undertakings cannot be held up unreasonably by private interests, then we must be concerned with the principles governing compulsory purchase as well as the financial effects on private interests of planning decisions.

4 The basic problem in this field is how to ensure that the landowner does not obtain the benefit of developments by the community to which his own enterprise has not contributed; and at the same time to avoid gross unfairness.

5 Up to 1954, when the Tories altered the system, the landowner who received permission to develop his land had to pay a development charge. This was equivalent to the increase in the value of the land now that it could be developed. The theory of this, and to us at any rate it seems reasonable, is that development rights are vested in the State. Thus the State should receive the increased values directly flowing from its permission to develop.

6 Since 1954, however, the landlord is permitted to pocket the benefits of planning permission ("betterment"), and gets an "unearned increment." That is, the value of his land goes up not through his own effort, but through the operation of the system of planning.

7 The value of land increases usually as a result of some community action. The most obvious case is the effect on the value of agricultural land when, say, a new town is to be built. In our view the person who bought the land for use as agriculture is not entitled to receive a price for it based on its value as building land.

8 Under their new Town and Country Planning Bill the Tories intend to carry this process much further. In future, owners of land compulsorily purchased will be compensated on the basis of free market prices. The same basis will be used in compensating for loss of development rights.

9 The Co-operative Party agree that the present system has led to some anomalies and a few hardships, and the system should be improved to avoid them.

10 But if the owners obtain free market prices two results may be expected: positive planning to all intents and purposes will be ended; and much development of a social kind will not be undertaken because of the high cost of land. This might well lead to a situation in which the demand for complete public control of land will become irresistible.

► 10. CONCLUSION

1 A GOOD HOUSE may become the physical framework of a good home. Similarly, groups of houses, schools, public buildings, open spaces and places of work may provide the physical framework of a living community. The building of a house or of a community is, of course, finally justified by the use to which it is put. How many houses will be built and the kind of houses provided at any time will depend only partly upon the volume of the material resources of society. The will as well as the means of the community is involved. How much is society prepared to sacrifice in order to avoid building houses or communities which are drab, monotonous, overcrowded or ugly? What is it prepared to give up or to do in order to avoid advertising its own selfishness or shortsightedness to succeeding generations? How much courage does it show in dealing with interests which put personal gain before public amenity and the public good? The decision to build and to build well challenges the moral and aesthetic qualities of a people. How houses and communities are subsequently governed is also of great importance in a democratic community. Without a proper diffusion of power and responsibility, democracy dies.

2 We live in an age which has become used to the centralisation of power and to the divorce between ownership and administration. There is grave danger that we shall fail to distinguish between the powers which must be centralised if we are to have good government and those which can be exercised centrally only at the expense of sound local democracy. How far democracy can safely surrender the right to make its own decisions about the way people are to work and live we have not yet resolved. But already we see too many signs of a growing unwillingness on the part of the people to carry their share of the responsibilities and burdens of administration. Even if we suspected that this process would continue we would think it worth while to attempt to arrest and to reverse it.

3 We are concerned with the "bricks and mortar" of the housing problem, with the selection and layout of sites, and the proper social direction of the building processes. Equally, however, we are anxious that the management and administration of properties and the planning of community life should ensure the widest measure of responsible participation by the members of the community. This means not only the use of the instruments of government created by the people for their general needs but the use and creation of such powers and institutions as may serve the special needs of people as tenants of houses, users of local services and residents of particular districts. Our plan throughout this document has been therefore not just better houses but firmly based democratic institutions to control them. Housing to us is not only an exercise in building and planning techniques—it is an exercise in democracy—in government *by* as well as *for* the people.

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Summary

CHAPTER 1. THE HOUSING PROBLEM

Nearly one-third of all housing units in the country are over 70 years old and one-seventh are more than 100 years old. In 1951 nearly half the households in the country had no fixed bath of their own, and one in five either shared or were entirely without a flush w.c.

There can be no doubt that the present need is for more houses to rent. While home ownership could be encouraged, we cannot visualise the present housing problems being solved by increased personal home ownership. We assume that a Labour Government will operate interest rates or subsidies in ways that will permit a greater number of houses to be rented.

CHAPTER 2. THE SLUMS

The highest priority must be given to the replacing of slums and near-slums. Their continued existence is a social blight of a particularly nasty, and quite inexcusable, kind.

CHAPTER 3. IMPROVING PROPERTIES

All older type houses cannot be replaced, but they can and must be improved. The Co-operative Party are in favour of social ownership in housing but urge that the approach to this issue should be as diversified as possible. For example, housing associations should be given the opportunity to take a large part in the "improvement sector."

CHAPTER 4. DEMOCRATISING THE PUBLIC SECTOR

Urgent consideration must be given to closer association between tenants and Councils in the control and management of municipal estates. The Co-operative Party believe that "consumer protection" is as important in housing as in retailing. We favour joint committees of tenants and councillors. The local authority should, of course, retain control.

In addition to joint committees, local authorities should be encouraged to co-operate with tenant committees.

CHAPTER 5. CO-OPERATION IN HOUSING

We believe that overseas experience of co-operative housing justifies a considerable expansion of co-operative housing in this country. We appreciate the contribution of the non-profit housing associations, but regard co-operative housing projects in which the tenants participate in management as the better form of association from the democratic point of view.

We recommend the setting up of a Co-operative Housing Development Organisation. Its main function would be to promote Co-operative Housing Associations. It would provide expert advice and technical assistance together with financial assistance to meet the deficiency between the cost of a housing scheme and the amount that the association can itself raise. While co-operative retail societies themselves cannot be expected to make a large financial contribution, it might be possible for some societies to make a modest investment together with trade unions and building societies.

CHAPTER 6. SUBSIDIES

We believe that, at least until present demands are satisfied, housing policy must be directed to help those most in need of accommodation, and subsidy policy must give special assistance to those whose housing need is combined with a low income.

Until the housing shortage has been overcome it will be impossible to operate any subsidy that will be fair to everyone. Any *general* subsidising of council tenants from the Exchequer would be unfair to those who need it most or who need satisfactory accommodation but are unable to get it.

CHAPTER 7. RENTS AND TENURE

The Co-operative Party do not consider that the rents of privately-owned houses should be determined by the "free market"—at least, not while there is a housing shortage. We are therefore in favour of rent disputes being settled by arbitration. All tenants of private landlords should have security of tenure but there may be exceptions, where the "greater need" test is justifiable.

Though it might not be sensible to give legal security of tenure to council house tenants, the legal position and the status of tenants can be improved. One way would be to offer them leases.

We believe that local authorities should be free to decide how they will meet the situation created by the Tory Government, who have progressively removed subsidies and increased interest rates. We prefer rent rebate schemes to differential rent schemes. It is a sound co-operative attitude that those in greatest need should receive greatest assistance. Local authorities' rent schemes should provide for this.

We believe that the *minimum* rate contribution should be to make good the loss due to rent rebates, rather than that this should be met solely from the rents of other council tenants. But we consider it fair that under present conditions council rents should be pooled and the rents of older houses adjusted so as to reduce the otherwise crippling rents of new dwellings.

CHAPTER 8. OWNER-OCCUPATION

It would seem appropriate and convenient to utilise the facilities of building societies to widen the field of home ownership. The limit of £2,500 in the 1955 scheme under which loans of 90 per cent. and 95 per cent. can be made by building societies should be increased to £5,000.

All local authorities should be encouraged to operate the present tripartite guarantee scheme. We also suggest an alternative guarantee scheme which could be operated by the Government and building societies without the co-operation of local authorities.

CHAPTER 9. ASPECTS OF PLANNING

The basic problem of planning is to insure that the landowner does not obtain the benefit of community development for which he is in no sense responsible, and at the same time avoid gross unfairness.

In our view public development should not be held up unreasonably by private interests.

We agree that the present system of compensation has led to some anomalies and a few hardships and that the system should be improved to avoid them. However, we think that if compensation is based on free market prices, planning will be wrecked. This would, of course, immediately strengthen the case for more complete public control.

Appendix I

► I. DESCRIPTION OF OVERSEAS EXPERIENCE OF CO-OPERATIVE HOUSING

SOCIAL CONDITIONS VARY considerably from one country to another. The differences may be attributed to many factors: environment, economic development, history, topography, custom and so on. It is therefore a mistake to assume that the pattern of social enterprise in some other country, however successful it may be there, will necessarily fit the conditions in our own without at least some modification. This is not to say that we cannot learn a great deal from other social systems; clearly we can. However, we need to be cautious about our enthusiasms. It is with this cautionary note that we introduce a brief summary of a few of the co-operative housing systems to be found in parts of Europe.

Perhaps the most celebrated is the Swedish Co-operative Housing Movement. The Government of Sweden has stimulated building activity by introducing substantial housing subsidies, and loans on a generous scale. Co-operative and municipal housing projects get specially favourable terms. Of 57,000 homes completed in 1955, 17,000 were erected by municipalities and 11,500 by housing co-operatives.

The local authorities who provide houses do so through municipal housing companies. There are 400 of these throughout Sweden, some of them controlled entirely by the local authority while others have been formed jointly with the support of other non-profit making organisations interested in social welfare; however, the local authority always holds a majority of the seats on the executive board. The two co-operative housing associations known as H.S.B. and Svenska Riksbyggen are co-sponsors in a number of these municipal companies.

Privately negotiated loans (with banks and finance houses), government loans and subsidies cover the entire cost—construction and site—of all municipal housing projects; the local authority has to invest no capital itself. Co-operative associations get up to 95 per cent. by way of loans and subsidies, leaving 5 per cent. to be found by the Co-ops. themselves; whereas private builders can usually get up to 85 per cent.

Interest rates have been extremely favourable; they have been pegged (at least until 1957) at 3 per cent. or 3.5 per cent. The banks and finance houses have actually been charging rates around 4.75 per cent., but the State has met the difference.

Co-operative building accounts for between 20 and 25 per cent. of all houses now being erected in Sweden. The largest housing co-operative in Sweden is the H.S.B. (the National Association of Tenants Savings and Building Societies) which for long has been regarded as the classic example of an efficiently run co-operative housing society. The H.S.B. assists in the construction of between 7,000 and 9,000 dwellings a year. In mid-1957 it owned 120,000 dwellings, the majority of which were flats in multi-storied buildings or in apartment houses, put up and administered on behalf of local authorities. In addition, it had helped to build 20,000 small one-family houses owned outright by their occupants.

H.S.B. is a national association comprising 186 savings and building societies organised by tenants throughout the country. The National Association lends money exclusively to its affiliated societies for building purposes. This money it has already borrowed through the savings of individual members collected by the local societies and deposited with the savings bank incorporated with the National Association.

The local housing society (known as a parent society) acquires the estate, and supervises the actual building. When a "house" (or block of flats) is completed the administration is given over to a new (or "daughter") society of which the actual tenants in that house are the members. They elect their own officials who arrange for the collection of rents, the repayment of mortgages, the management of the estate, and the supervision of tenancies.

Each tenant pays an initial deposit of 5 per cent. The society can raise, at low interest rates (because of the State guarantees mentioned above), mortgages to cover 95 per cent. of the total cost of the site and of construction; the tenant's deposit meets the difference. This entitles him to life tenure of his flat and membership of the society which controls it. About half of his rent goes in interest and amortization payments; 10 per cent. is credited to an account held in his name for internal repairs and decorations. He may draw on this, whenever necessary, doing his own repairs if he wishes. If he decides to give up his tenancy he may find a suitable person to take over or, alternatively leave this to the society's management committee who will, in any case, supervise the whole business. The outgoing tenant will receive, from the ingoing, the 5 per cent. he subscribed originally, plus a sum equal to the amortization of debt which he has personally contributed during his tenancy. He makes nothing extra by way of capital appreciation.

The National Association has its own technical, construction and factory departments. The subsidiaries include a company which manufactures pre-fabricated houses, joineries, a marble quarry and a sawmill. It employs private contractors to build its estates.

Svenska Riksborgen is the other powerful co-operative housing organisation in Sweden. It is owned and controlled by the building workers themselves, who through their trade unions find the share capital necessary to run the business. The housing estates are administered in very much the same way as in the "daughter" societies of H.S.B. At the end of 1956 Riksborgen administered almost 50,000 units, of which 33,000 were occupied under permanent leases.

The success of H.S.B. and S.R. is in part due to the encouragement they get from and their close association with the State and municipal authorities.

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IN DENMARK, CO-OPERATIVE housing associations form one of three kinds of non-profit housing societies, the other two being joint-stock housing companies and proprietary housing concerns. In the joint stock companies the directors are elected by the shareholders; in the proprietary building concerns they are often appointed by the municipal council. In both these organisations tenants are creditors, not co-owners. In the co-operative housing associations, however, tenants are co-owners and they alone elect the directors.

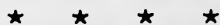
In 1954, 179 (or 60 per cent.) of the 290 organisations affiliated to the Danish Federation of Non-Profit Housing Societies were co-operative societies. They owned 35,371 dwellings or 50 per cent. of all those owned by non-profit housing associations. Ninety-four per cent. of the cost of building is raised by way of mortgages and government loans; the remaining 6 per cent. is found by the societies themselves.

In 1941 a management society called Arberjderbo was founded on the initiative of the Trade Council of the Labour Movement who acted in association with the Co-operative Federation, the Danish Federation of Non-profit Housing Societies, the National Federation of Building Trades and the Trades Union Congress.

Arberjderbo takes the initiative in founding non-profit housing societies (not necessarily co-operative) where they are needed, and assists them technically and administratively when founded. Its members include all the organisations named above, together with federations of trade unions within the building trades and non-profit housing societies for which Arberjderbo manages the construction of new dwellings. It offers all kinds of services (architectural, planning, administrative, etc.) and acts as agent for the local societies who are thus able to ensure for themselves the best professional advice and assistance while remaining completely independent.

A typical co-operative housing society in Denmark will own several thousand flats. The tenants occupying each block of flats (or house) will constitute a branch of the society. Each branch elects annually a supervising committee of three or four members who attend to the daily management of the branch. The branches elect members of the general committee of the society. This general committee meets quarterly. It elects six directors who act as an executive and supervises their work. A meeting of delegates from all the branches meets every three years and is the highest authority of the society. It elects the chairman of the society, who is also the chairman of the board of directors.

On entering the society a new member has to pay a society share of 40 Kroner (approx. £2). Vacant flats are usually offered to members in the order of their admission. The new tenant has to pay a "dwelling share" of about 6 per cent. of the construction cost of the flat. Interest is paid on this share. When he leaves, the flat is put in a state of good repair for the new incoming tenant and the cost of these repairs is met from the outgoing tenant's "dwelling share." The balance left over is returned to him.



IN NORWAY, MANY non-profit housing associations are organised on a joint stock basis. But co-operative housing societies are becoming increasingly important, especially in the Oslo area. One such society, the O.B.O.S., is organised on the lines of the H.S.B. and has been responsible for a considerable

proportion of post-war construction in the capital. Public authorities are using these societies to an increasing extent in pursuing their housing policies. Government loans (1955) meet up to 95 per cent. of the valuation of new houses at 2½ per cent. interest, redeemable in 100 years for stone houses and 75 years for wooden houses.



IN SWITZERLAND, THERE are over 1,000 building and housing co-operative societies owning and administering more than 70,000 dwellings. In 1950 they accounted for nearly one-quarter of total house construction, but since the abolition of Federal housing subsidies in that year they have declined in importance. Short term loans are provided by private credit institutions to meet the cost of construction; thereafter mortgage loans are negotiated, covering up to 80 to 90 per cent. of costs. In some areas (as for instance in Zurich) it is possible for a co-operative to get a second mortgage from the local authority bringing this amount up to 94 per cent.

The members elect an executive committee to deal with policy matters (building, finance, administrative appointments). It also draws up the original tenancy regulations concerning payment of rent; responsibility for repairs, lodgers, pets; the cleaning of staircases; the use of laundry rooms, and so on. It appoints a management committee which meets much more frequently and deals with the day-to-day detailed management of the Society's estates. Whereas the executive committee may include shareholders who are not yet tenants, the management committee usually consists exclusively of tenant-members.



IN WESTERN GERMANY there is an organisation known as "Die gemeinnützigen Wohnungsunternehmen in Deutschland" (Housing Enterprises for Communal Benefit in Germany) which is an association of non-profit housing organisations. By the end of 1955 there were 2,403 organisations in this movement, of which 1,787 were co-operative societies (with 902,687 members) responsible for 36.6 per cent. of all the homes built by the enterprises connected with the National Association.

The Association claims, however, that "whether we are organised as co-operative societies or registered companies, the co-operative principle of mutual help and self-help always guides our work." In 1956, 158,000 dwelling units in the Federal Republic and West Berlin were built by the enterprises within the Association.

The policy, accounts and finances of each enterprise are subject to scrutiny and control by the National Association through "controlling bodies."

The individual members of the co-operative housing societies normally provide between 5 and 10 per cent. of building costs. Other finance is obtained in part by mortgage loans and in part from public loans and advances. A booklet published by the association in 1954 states that "A co-operative of tenants in the administration of their homes is at present under discussion"; which seems to indicate that even in Co-operative Housing Associations the principle of mutuality did not (at least up to that date) extend to tenant participation in management as in the Scandinavian and Swiss societies.



AT PRESENT, AS a proportion of total house building, co-operative housing accounts for about 20 per cent. or more in Norway (the majority in Oslo) and Sweden; more than 15 per cent. in Denmark; about 10 per cent. in Austria and the Federal Republic of Germany; less than 5 per cent. in Belgium, Finland, France and Italy, and generally less than 1 per cent. in the United Kingdom and in the eastern European countries, where it has been initiated, except in Eastern Germany where in 1955 it was reported to account for some 15 per cent. In recent years interest in co-operative housing has increased in most eastern European countries, except the U.S.S.R. Thus, for example, the 1956 plan for Eastern Germany envisaged that co-operative housing should account for 18 per cent. of total dwelling construction compared with the 15 per cent. for 1955 mentioned above and 7 per cent. for 1954. In Poland, housing co-operatives were introduced in 1954 on a small scale and mostly on an experimental basis confined to one-family houses, but this is planned to be considerably expanded. In Bulgaria and Hungary, State loans for co-operative housing were made available by Government decrees in June 1954 and mid-1950 respectively.

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THERE HAVE BEEN genuine co-operative housing projects in America for more than a generation. Early in 1958 the Co-operative League of the U.S.A. helped to sponsor the First National Conference of Co-operative Housing whose avowed purpose was "to make plans for a program to meet at least part of the huge need for middle-income housing."

Co-operative housing in the States has in many cases leaned heavily on trade union support; indeed unions such as the International Ladies' Garment Workers, the Textile Workers and the United Automobile Workers are playing an important role in sponsoring and promoting housing co-operatives.

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Appendix II

► II. CO-OPERATIVE HOUSING IN GREAT BRITAIN

1. Introduction

IN CONTRAST TO the situation in most West European countries, co-operative forms of organisation in Great Britain play only a minor role in the provision of housing accommodation.

Although co-operative housing societies on the Continental pattern do not exist in Great Britain there are organisations, known as housing *associations*, which display certain co-operative characteristics. These associations are non-profit making organisations "established for the purpose of constructing, improving or managing housing." The element of collective management varies with the association and it is largely a question of definition as to how many may be described as "co-operative." Associations mainly provide rental accommodation though in some cases they build houses for owner occupation by their individual members. Since the war they have been mainly financed from public funds and have worked in close co-operation with local authorities. Indeed, in many cases, they have become mere auxiliaries of local authority building programmes.

2. Types of Associations

Housing associations are usually established to provide rental accommodation for definite occupational or social groups. They may be classified as:

- (a) *Philanthropic*. Under this heading come all those societies formed by social and religious groups who are interested in meeting the needs of particular sections of the community, such as the aged, the single, the disabled, coloured immigrants, and so on. These societies are registered as charities. They accept donations and legacies, and the management committee consists, not of members, but of socially-minded persons, willing to give time and effort to the task.
- (b) *Industrial*. In order to house their employees, especially when their factories are situated in isolated districts, many industrial firms find housing society machinery suited to their purpose. With the almost complete disappearance of private enterprise houses to rent, this type of society is greatly increasing in numbers and importance.
- (c) *General*, including those formed by national and social organisations such as rotary clubs, regimental associations, colleges, church organisations, etc.

- (d) *Self-builds.* Societies whose members have built, or partly built, their own homes with their own labour.
- (e) *Co-operatives.* Whether called Tenants' Co-partnership, Tenants' Co-operative, or simply Tenants' Associations, these are the truly democratic type of society which is now flourishing abroad. In these the houses are owned jointly by the tenants' as members and organised and managed by them through their own elected committees.

Since most associations exist to meet a particular need they usually operate only in the locality in which they are formed; only a few operate on a county regional or national basis. However, they are grouped under a central organisation, known as the National Federation of Housing Societies. The Federation was formed in 1935 to assist in the formation of new housing societies to help them in preparing schemes, to give details on the financial facilities available to housing societies under the Housing Acts, to advise on the management and administration of societies and their properties, and to maintain close liaison with the Ministries concerned in England, and the Department of Health for Scotland.

3. Importance of Housing Associations

At the end of 1957 there were 620 members of the National Federation. These were classified as follows:

Old People's	..	..	..	..	176
Industrial	..	..	..	..	89
Self-Build	..	..	..	..	136
General	..	..	..	..	188
Co-operative	..	..	..	..	24
Coloured Workers	..	..	..	..	7
					<hr/>
					620
					<hr/>

Housing associations are responsible for only a small percentage of total house construction. Between 1945 and the end of June 1958 they provided 40,871 dwellings in England and Wales or under 1.6 per cent., of all permanent dwellings completed in this period.

4. Finance

Housing associations normally obtain loans of up to 90 per cent. of the total cost of their building schemes from local authorities. These loans are repayable over 60 years, the local authority usually charging a rate of interest $\frac{1}{2}$ per cent. in excess of that at which it itself borrows either from the open market or the Public Works Loan Board. (Sometimes mortgage loans are obtained from building societies but in such cases the repayment period is restricted to 30 years.) The balance of 10 per cent. is contributed by members and others taking up share capital or loan stock of the associations. Subject to the approval of the Ministry of Housing and Local Government, housing associations which have concluded agreements with local authorities regarding types of houses, rents and choice of tenants are also eligible for the same exchequer housing subsidies as the local authorities themselves (i.e., £10 subsidy for one-bedroomed dwellings; £22 1s. 0d. slum clearance subsidy for the replacement of unfit houses).



Procedure at Annual Conference

★ **HOUSING—A Co-operative Approach**

is issued by the Co-operative Party National Committee and will be discussed at a duly designated session of the Annual Conference, after its adoption has been moved and seconded by representatives of the National Committee.

★ **SPECIAL NOTE.**—*Reference back of any part or whole of the statement may be moved by any delegate authorised by his Organisation to do so.*

Amendments, other than motions to refer back the whole or any part of the Statement, must be forwarded to Head Office by 18th February for inclusion in the Final Agenda

Paragraphs in each chapter are numbered. When submitting amendments please quote the Chapter Number first, followed by the appropriate paragraph number. (e.g.: Chapter 5; paragraph 10; or Chapter 7; paragraph 8.)

HOUSING

A Co-operative Approach

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